



# **Tools for Equitable TOD (eTOD): Improving Outcomes along Transit in the Chicagoland**

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# Executive Summary

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Tools for Equitable TOD is for local governments in the Chicago Area to adapt Transit-Oriented Development (TOD) plans, practices and policies extending the benefits of living close to transit to a larger segment of the population. Equitable TODs are planned development around transit stations that improve opportunities, access to jobs and lowers costs of living for all residents.

Equitable TOD (eTOD) faces many challenges and barriers that prevent development from providing needed access to lower-income individuals. Many of these are a result of current zoning & building practices set by a municipality and the lack of access to financial tools to fund equitable friendly projects. These structures in place can lead to stratified neighborhoods and increased parking near transit, counter-balancing the benefits of traditional TOD. This adversely affects the lives of low income residents. Implementing practices and policies by local governments, the regional MPO and transit-agencies are a step to ensure accessibility to transit to those who need it the most.

This toolkit is divided into three sections. Section I gives an overview of the characteristics, benefits and barriers to eTOD. Section II provides recommendations on planning policies that can be adopted. Section III explores existing financial tools that can be accessed and advocates for a regional funding pool.

eTOD planning policies can help create and maintain vibrant, diverse, and economically sustainable communities throughout the Chicago region. With this toolkit, local officials and city staff can consider successful strategies and new ideas to promote opportunity for their residents through equitable TOD.

Cover Images:

<http://www.danielledai.com/cta.html>

[www.wikimediacommons.org](http://www.wikimediacommons.org)

<https://patch.com/illinois/winnetka/>

<http://www.chicagomag.com/Chicago-Magazine/April-2010/Tinley-Park-IL-20-Best-Towns-and-Neighborhoods-in-Chicago-and-the-Suburbs/>

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# Understanding the Benefits of eTOD

Communities can create livable spaces that offer a wide array of benefits including affordable, sustainable, active and healthy environments. These development tools can help create livable communities and neighborhoods along public transit corridors to ensure that these benefits are not limited to a few but are available to a wide range of residents throughout the Chicagoland.

## **WHY PURSUE EQUITABLE TOD?**

Every municipality possesses different desires, goals and needs based on the make-up of their community. Transit-Oriented Development (TOD) for the most part is viewed as a positive amenity by improving accessibility to jobs and services and encourages development, both commercial and residential, along transit corridors. Development can create vibrant commercial activity by attracting shops, restaurants and other services that commuters and non-commuters can take advantage of.

While traditional TOD practices can generate a lot of positive impacts, they can still fall short of addressing many other challenges a community may face. Equitable TOD (eTOD) focuses on social equity in transit-oriented development. The goal in eTOD is to provide communities the ability to maximize opportunities for lower and middle income households through easy access to employment with living wages, services and amenities that generate healthier and stable neighborhoods. Essentially eTOD is taking the practices and methods already found in traditional TOD development and expanding it to lead to equitable outcomes. These outcomes can be measured by 1) providing opportunities to lower income households 2) improving accessibility to jobs along transit and 3) reducing housing and transportation costs for residents.<sup>ii</sup>

Low and moderate income households, which transit is often an essential service, have not been provided for by the market in conventional TOD projects. There have been exceptions where inclusionary housing programs existed, public/private partnerships or proactive housing advocates influenced the planning. Yet in recent years TOD projects have been marketed to upper income households. Part of these factors are because of the relatively higher cost of development in transit zones.<sup>iii</sup>

Development itself can alter the makeup of the neighborhood significantly. There has been much debate on the impact a Transit Oriented Development. If TOD is done properly and successfully then property values are likely to rise as a result. This change in real estate value can consequently lead to gentrification and displacement in certain neighborhoods. Especially if a particular neighborhood already has a significant number of residents of color, low-income and are renters. These subgroups are more likely to use public transit, and are often considered to be the core-transit riders.<sup>iv</sup> eTOD measures and policies can help preserve and maintain existing affordable housing stock situated near transit stations to protect residents who benefit the most for transit.

Pursuing eTOD can produce additional benefits on top of the traditional TOD outcomes. There are economic, social, health & safety benefits from eTOD development that can lead to healthy stable communities. eTOD can also serve as a response to changing housing trends in the housing market.

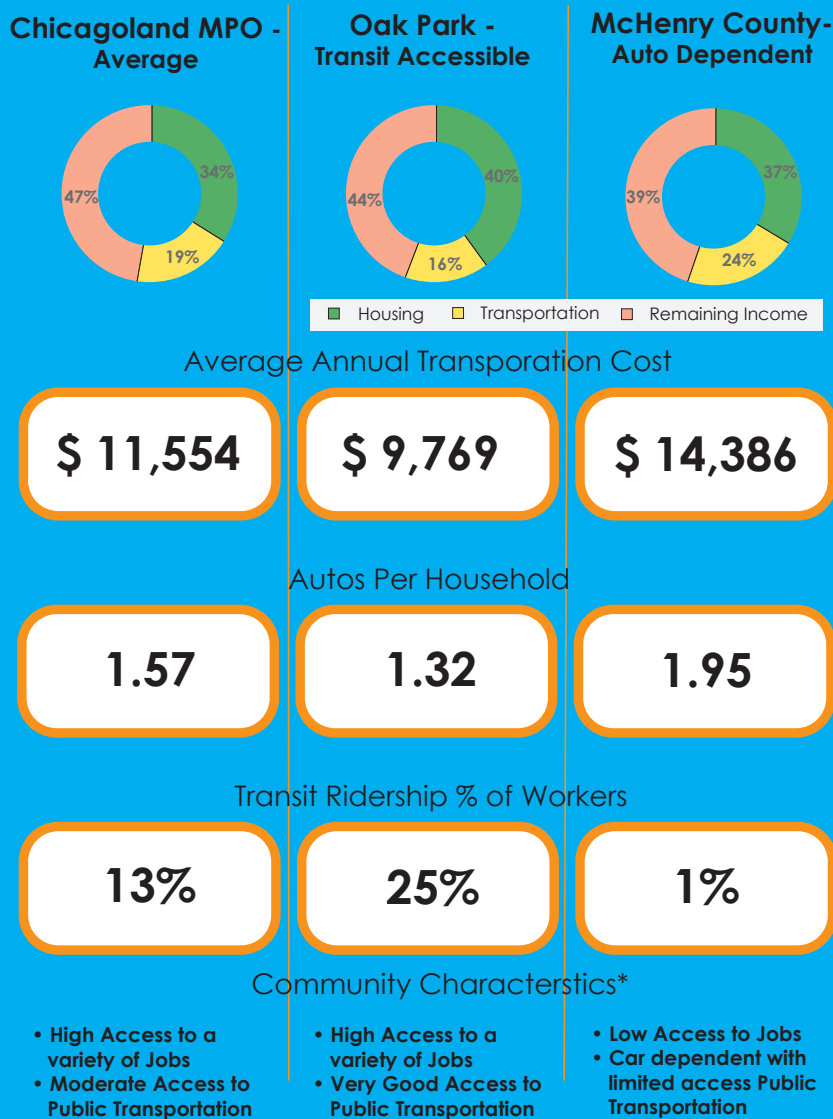
## ECONOMIC BENEFITS

The foremost economic benefit for equitable TOD is the reduction of transportation cost. Living in close proximity to a transit stop or station can have a significant impact on a household's spending. Transportation is typically the second highest cost after housing for most families. For households within a TOD (0.5 miles away from a station), spending on transportation was significantly lower. In the United States a household in an auto-dependent suburb is likely to pay as much as 25% of their annual income on transportation, commuters located close to transit spend significantly less around 9% of their annual income.<sup>v</sup> Such significant cost savings

can leave more disposable income to utilize. The reduction of transportation costs benefits all households, but lower income homes are likely to benefit even greater allowing for the affordability of necessary services and needs. Below (Figure 1) is the average housing & transportation cost for households across the Chicago region along with characteristics for transit accessible & car dependent areas.

A TOD project itself can lead to development that would otherwise not occur. Many TOD districts have changed zoning and building codes within a district to allow for higher density and mixed-use buildings. Many municipalities have gone as far as using parking

**Figure 1:**<sup>vi</sup>



\* Community/regional characteristics are based on a rating score from the Housing & Transportation Index developed by The Center of Neighborhood Technology (CNT)

exemptions within a TOD to encourage newer, denser developments. The easing of parking restrictions not only encourages the reduction of vehicle usage but it lowers the barriers to for new residential construction.

TODs can help build community wealth for local governments by:<sup>vii</sup>

- Significantly boost value of real estate around transit
- Can Expand the tax-base through neighborhoods with residential and commercial components.
- Increases transit ridership, which boosts fare revenues for the transit system
- Increases the efficiency of public service delivery

Research has found that dense mixed use development can significantly increase tax revenue, reduce infrastructure cost by a third and a lead to a 10 percent reduction in cost-delivery system.<sup>viii</sup> TOD can also be a tool for economic development as commercial employers see a benefit to be located near transit. Being close to a transit stop, employers are able to access a greater pool of workers along a transit system. eTOD can potentially lead to job clusters and economic agglomeration. Being close to transit is more than just a convenience, it is a step towards accessibility to opportunities.

Individuals who live next to transit are likely to work along transit. A recent survey in 2015 from RTA found that close to 45% of respondents who lived within a TOD used transit as a means of getting to work (CTA, Metra, Pace) Close to one-third of those who do commute by transit make less than \$60,000 in household income.<sup>ix</sup>

### **SOCIAL BENEFITS**

Many TODs appeal to a group that value balance of work, life and play. Having mixed income housing can lead to a more thriving community. Shops and restaurants within the TOD can offer a wider range of affordable options all within walking distance, leading to a better quality of life. Thus the usage of public infrastructure should be accessible to all individuals from different income- levels.

For those who reside within an eTOD project, they can benefit from the improved access to jobs and economic opportunities, especially if they come from a low-income household. By utilizing a transportation network, residents able to connect to health and education opportunities as well. TOD reduces driving and car usage for commuters which lowers traffic congestion, reduces air pollution and greenhouse gas emissions. Seniors citizens who drive less as they get older may find the close proximity to many of the services such as health



Image Source: Metra Rail



services and groceries. Complete streets in a TOD with regular activity can create a positive and valuable experience for residents and non-residents alike.

The presence of green and open spaces readily available creates an attractive environment to be enjoyed by many. This in turn can lead to a closer-knit community by increasing interaction of face-to-face contact among local residents. eTODs have potential to increase social capital and public involvement.<sup>x</sup> The bonds created in a community can bring about positive social outcomes.

### **HEALTH & SAFETY BENEFITS**

eTOD can create active and safe environments for residents in the local community. By designing a streetscape that slows down traffic and pathways that shield pedestrians and cyclist from harm, the number of accidents can be reduced. A safer setting ultimately invites greater use of walking and cycling by residents for daily activities as well as leisure. By replacing automobile commuting with active transportation, individuals will likely see an increase in their daily physical activity. As this country continues to face high obesity rates, eTOD can play its part in fighting again obesity among the population. Studies have shown that individuals who live in compact areas are 10% less likely to be obese than those who lived lower-density areas.<sup>xi</sup>

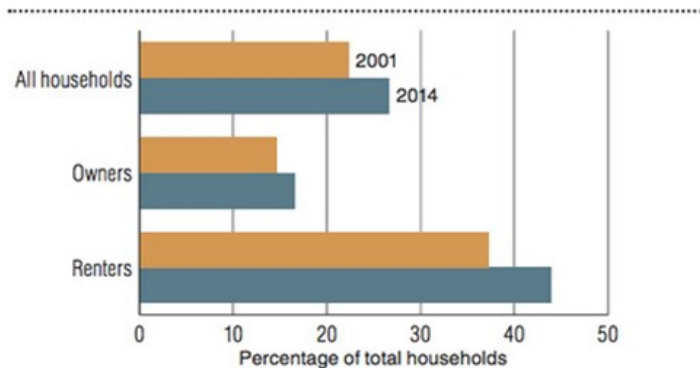
By creating a place that is active and busy during the day as well as night, there are more “eyes on the streets”<sup>xii</sup> increasing safety for transit-users, pedestrians and locals. Having the presence of better lighting, open businesses along with better coverage for fire and police protection can create an environment that families would feel safe to reside in. The reduction of crime is certainly a benefit that eTOD can bring to many communities.

### **HOUSING TRENDS**

eTOD can be tool to address changes and trends within the housing market. Many of these changes disproportionately affects lower to middle income households.

The Urban Land Institute ULI published trends for 2017, and showed that the percentage of housing cost for owners and renters is steadily rising for all households in metropolitan areas. Middle-income is defined in major metropolitan areas are households with an annual income between \$31,000 - \$87,000 With anticipated rising home cost and as well as rents, this will continue to put pressure on American households in the foreseeable future. A growing number of rental households are spending more than 30 percentage of their annual income cost on housing.<sup>xiii</sup>

The financial burden is even higher for households making less than \$50,000 in annual income. The rise in housing cost and lack of



Source: Joint Center for Housing Studies of Harvard University tabulations of U.S. Census Bureau "American Community Survey" data.

Note: Moderate burden is defined as housing costs of 30 to 50 percent of household income; severe burden is housing costs of more than 50 percent of household income. Households with zero or negative income are assumed to be severely burdened; renters paying no cash rent are assumed to be unburdened. Income cutoffs are adjusted to 2014 dollars by the Consumer Price Index for urban consumers for all items.

Figure 2 : Moderate & Severe Housing Cost Burden on Households with an income below \$50,000

affordable units puts stress on a household's financial capabilities. When households must dedicate more of their income on things such as housing they cut back on other needs. This requires more than simple low-income or government funded public housing. Having residential units to meet the demand of a particular market would lower displacement of existing residents. Efforts to preserve existing affordable units or converting lower end housing units should be considered to mitigate these effects.

In the case for suburban development, one of the concerning trends in major metropolitan areas is the rise of poverty in the suburbs. The Chicagoland is not immune to this trend. Due to limited accessibility and resources for residents near or below the poverty line, this can put an added strain on local community services.<sup>xiv</sup> The development of equitable TOD in suburban communities would help streamline public services to better serve this population.

### **IMPACT OF eTOD**

The goals of eTOD are improving opportunities, access to jobs and lower housing & transportation costs. Better accessibility to jobs can reduce the length of unemployment for workers. Expanded access provided by eTOD critically supports a healthy local and regional economy, as many employers in the area are dependent on the presence and productivity of lower-or moderately-paid employees for their operations. Having essential workers in the community, such as restaurant workers, custodians and maintenance personnel, first responders and health workers can make neighborhoods desirable for business & retail locations as well other communal services.<sup>xv</sup>

Being unable to guide development towards equitable outcomes can lead to unintended

consequences. Without proper planning, TODs can lead to stratified neighborhoods and higher rates of car ownership.<sup>xvi</sup> Supportive eTOD actions and policies are meant to curtail the far reaching negative impacts of stratification and auto-centered development. With limited access to jobs and other services working residents may experience longer periods of unemployment. A higher percentage transportation cost will limit households from contributing more to the local economy. Delivering services for low-income households (both public and non-profit) will become more difficult in suburban communities due to larger area of coverage as oppose to compact, more concentrated service area. Within communities, especially in suburban areas that are witnessing rising poverty levels, eTOD can be part of the wider solution to address this growing trend.

### **TOD TYPES IN THE CHICAGO AREA**

The Chicago area is served by multiple transit networks. Three big transit agencies serving the Chicagoland are: Chicago Transit Authority (CTA) Metra and PACE bus. Most TOD plans and development are generally focused on station areas of rapid transit or commuter rail, though BRTs are becoming more common into the mix of TOD plans around the world (this toolkit does not explore TODs associated with bus transit). When assessing TOD types, each are different. Not all areas will serve the same function, have the same composition of uses, nor are they built to the same scale and density. This can influence not only the type development but can influence local government agencies plans when considering eTODs. For the Chicagoland area 5 primary types of TODs were identified. Chicago Urban Centers, Urban Centers in Inner-ring suburbs, Suburban Centers, Neighborhood Downtowns, and New Town Center.



The TOD typology can be used to identify the similarities with comparable communities. This can be useful when considering policies and actions that support eTOD. Looking to comparable communities in the Chicagoland region is more appropriate to apply certain policies and practices.

**Chicago Urban Center** – Are major transit station areas that are characterized by higher density, considerable mixed use, and high transit ridership. The real estate market is very active around these transit areas in Chicago. Population change, along with growing wealth continue to occur. An overwhelming percentage of residential are multi-family units. Site capacity however is limited, and new developments that do occur are likely to be high density, mixed-use projects. Example Station areas: Belmont (Red, Brown), Western (Brown), North & Clybourn.

**Inner-Ring Urban Center** – Most of these communities are some of the first suburbs outside of Chicago city proper. These centers sit along major transit lines of CTA, Metra or both. They have seen growing development and increasing densities within the past couple of decades. There is a balance of multi-family and single family homes within walking distance. Given their short ride to Downtown Chicago, these areas are seeing higher density development and higher property values yet are attractive for families and couples seeking access to the city but retaining a semi-suburban feel. Example Communities: Oak Park, Evanston and Des Plaines.

**Suburban Center** - Located in large suburban communities with populations over 45,000 residents, these communities along transit also have high weekday ridership compared to other suburban communities. There 3,000-6,000 jobs within ½ mile from the station. They have established downtowns centers, but

many commuting Metra riders primarily drive and park at the station. Example Station areas: Arlington Heights, Downer's Grove Main.

**Neighborhood Downtown** – Established communities that have small community downtowns which serve as the center of city or village. Areas around stations are an overwhelming percentage of single-family homes. These areas tend to be stable population and have a higher percentage of home-ownership compared to rentals. Example Communities: Glen Ellyn, Northbrook

**New Town Center** - New Town Center are usually found in communities that previously did not have a well-defined or established downtown. These developments serve to fill a purpose of residential/retail/commercial in a central core or downtown area. Development of town centers usually requires a vacant land or parcels. Suburban Town Centers do not necessarily have to be a TOD or near transit, and there are several examples of auto dependent town centers. Most of these developments are typically done over time and in phases. Example communities: Orland Park, Wheeling

Note: Not all areas around a transit station are designated TODs. The areas that were selected were a combination of existing planned TODs in communities or transit-oriented areas that share TOD characteristics.

Comparison Chart for TODs  
in the Chicago Area

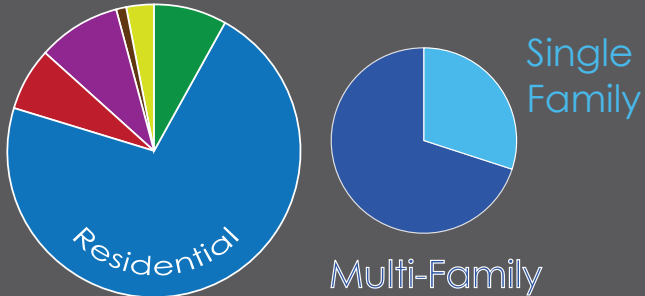
Average range of riders & available jobs within 1/2 a mile from station. The mode of access to transit (Note: Data was not available for CTA stations). Current land use was assessed from from 1/2 mile. The percenatage of single family vs multi-family is compared.

Blue = Residential, Red = Commercial, Purple = Mixed Use, Green = Institutional, Yellow = Industrial, Brown = Vacant/open

Chicago Urban Centers

Avg. Daily Ridership	Jobs within 1/2 Mile
6,000 +	7,000 +

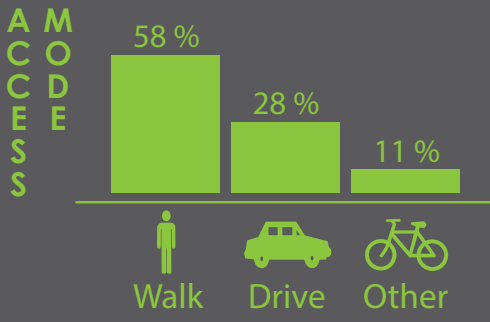
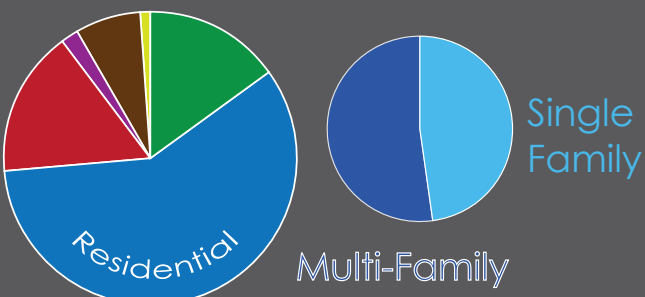
LAND USE



Inner-Ring Urban Center

Avg. Daily Ridership	Jobs within 1/2 Mile
2,000 +	4,500 - 8,000

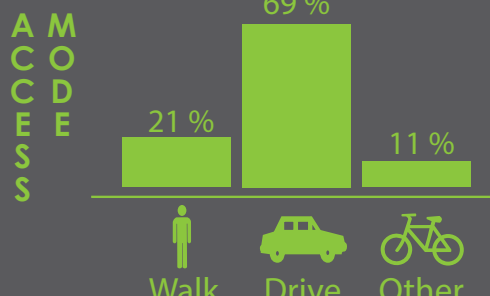
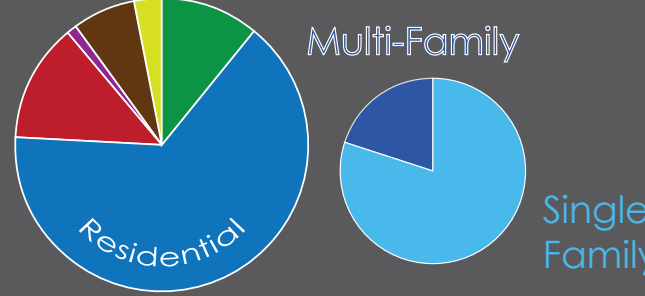
LAND USE



Suburban Center

Avg. Daily Ridership	Jobs within 1/2 Mile
2,000+	3,000 - 6,000

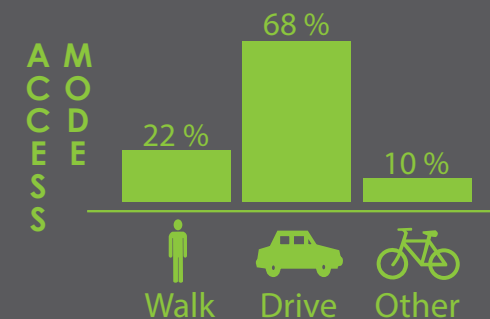
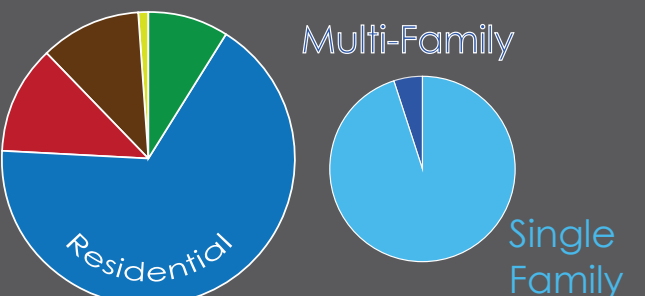
LAND USE



Neighborhood Downtown

Avg. Daily Ridership	Jobs within 1/2 Mile
1,200 - 2,000	2,000 - 5,000

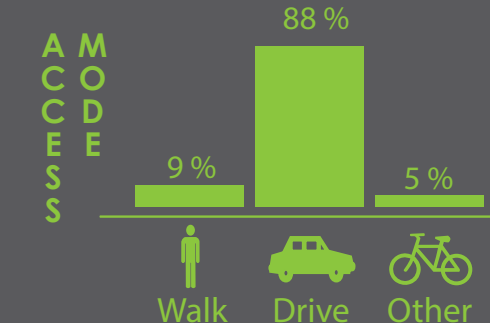
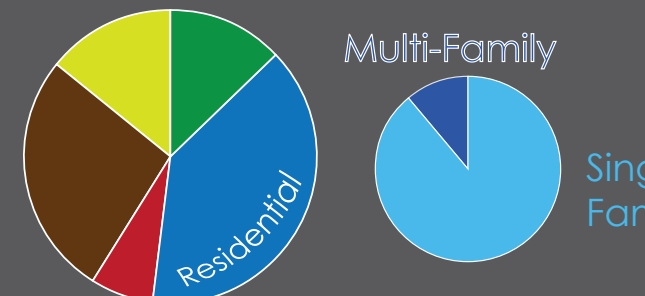
LAND USE



New Town Center

Avg. Daily Ridership	Jobs within 1/2 Mile
Up to 1,000	Up to 2,500

LAND USE



# Characteristics of eTOD

Many of these characteristics can adapt current TOD practices to produce greater equitable use.

\* Denotes traditional TOD elements. \*\* Added equitable characteristics on top of TOD elements

It is important to note that these characteristics do not need to be all present in eTOD, but rather this highlights the design, social and planning aspects that one would expect to find in eTOD neighborhoods and zones. Every community can feasibly incorporate eTOD traits easier than others while struggling to incorporate a certain few. Communities should be mindful that high expectations can make it difficult for a project to deliver equitable outcomes. Approaches and adoption of these characteristics should ultimately improve accessibility, expand opportunities and lowering cost for residents.

- **Mixed-Use \*** : Development that facilitates a wide mix of use and activities, a combination of residential and commercial uses, giving residents, employees and visitors close access to different amenities and services. More densely developed areas with mixed uses and transportation options are more productive than less dense areas with segregated single land use with auto-only access.<sup>xvii</sup>
- **Affordable Units \*\*** : Transit serves everyone, but lower to middle income residents typically are lower car-owners and higher transit ridership. To preserve core riders of transit, having affordable options within TOD projects is needed to support those who can benefit the most with access to opportunities along an extensive transportation network. Having affordable housing units near transit can significantly lower the cost of living for low- to moderate-income households.<sup>xviii</sup>
- **Compact Design \*** : Higher density and higher intensive land-use can translate to higher utilization rates. A higher concentration of the populations allows communities to provide better efficiency and streamline of services.<sup>xix</sup>
- **Proximity to Transit Stops and Stations \*** : Transit stops/corridors serve as the central channel of TOD districts. In addition to fixed-modal stops, having additional connectivity to bus networks or bike networks can allow for quick and easy transfers for riders.
- **Accessibility to Opportunity \*\*** : Housing next to transit can improve access to employment, health care and education opportunities along with other important services. Access via transit can lower travel times and cost which benefit lower-income families. This can lead to lower rates of unemployment in neighborhoods adjacent to transit.<sup>xx</sup>
- **Pedestrian Friendly Design with high quality walk environments \*\*** : Having wide sidewalks, designated bike lanes, safe pedestrian crossings and appealing streetscape can create a suitable environment for residents of all ages leading to a higher quality of life.

- **Parking Management \*** : Reducing parking requirements around stations can lead to higher intensity of use. Effective parking management can reduce the reliance of personal vehicles, and allow for development projects to be feasible.
- **Commercial & Business Retention and Stabilization \*** : Increased property values around a station may attract new businesses. Retained local businesses are able to benefit from higher foot traffic in their area and be better position for employees.
- **Transit Prioritization \*** : Focusing on transit and active transportation can lead to a better efficient system. Improving existing stations can also encourage riders who are concerned with safety willing to take public transit. Having a well-designed station is good, and many riders are sensitive to the conditions of waiting for their mode of transportation.

## Barriers to eTOD

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Planning for a successful TOD is complex and there are many barriers to planning and development. This makes equitable TOD even more of a challenge to achieve. A successful eTOD requires collaboration between different disciplines of land use, economic development and community development. In addition, cooperation between local governments, community groups, developers and other organizations is needed to identify, plan, implement and even fund a TOD project that would achieve social equity.

Despite local governments initiating TOD development through a plan, market forces are what drive development for TODs in the Chicago region and the country. There continue to be challenges both financially and structurally that prevent equitable TODs from being successfully implemented. Regions will vary based on the strength of their regional and local economies, and economic viability along transit corridors. Nonetheless, eTOD projects in general require developers to do more to obtain financing and seek local government approval.

Higher development cost can result in increased property values within transit-oriented neighborhoods. This creates barriers for entry for lower-income families into TOD's zones and can likely put pressure of housing costs on existing residents or even cause displacement. Local governments should look for ways to mitigate some of the hurdles that burden and prevent developers from developing eTOD projects.

*Developers need risk tolerant capital that can handle TOD projects*

One of the challenges for developers of affordable housing and eTOD is finding capital to support such development. It takes effort and cooperation between all parties: banks,

governments, CDFI's and other philanthropic non-profits to successfully finance a project that achieves social returns. Developers are unable to follow the traditional process of obtaining financing for an equitable TOD project

For a developer, undertaking this particular development carries a lot of risk. At the same time they themselves are unable to find the required financing, and lenders perceive that they cannot carry that risk for this kind of project. Funds and agencies may have limits on the types of projects they support and can be a cumbersome and complicated process to aggregate multiple sources of financing. Equity funds for eTOD could be utilized if they are available, but investors often expect too high of returns for projects that provide equitable outcomes.<sup>xxi</sup>

Sources of financing for developers of equitable TOD will need to be creative beyond traditional practices. Local and state funds could be utilized, but a fund and financing group that specializes specifically in eTOD or affordable housing projects would be best in understanding and providing appropriate assistance. Increasing the pools of financial resources and expanded flexibility can help fill the gaps for eTOD projects.

#### *Mixed Use Developments continues to be difficult in practice*

Since TODs call for higher density around transit, building development is often vertical with mixed-use. Yet the market continues to operate and respond with segregated uses. Many developers tend to be primarily focused on one use, either commercial or residential. There are not as many developers in suburban Chicago that have experience in doing mixed-use as there are in the city. Since housing and retail markets can be very different at a given time, different approaches are needed when doing a project that is a combination of the two.<sup>xxii</sup> One example that many mixed-use buildings face is the challenge in filling first floor retail space. This can be from a lack in market demand and/or that developers lack the experience beyond residential projects. When the retail space on the first floor sits vacant it weighs down a project's cash-flow.

While there continues to be a gradual growing market and financing opportunities for mixed-use projects, there are still many inexperienced developers for this kind of development. In the case of suburban development, the mixed-use product may be hard to offer in an unproven market. Adding multiple uses into the equation makes it complicated already, thus mixed-use buildings with affordable units would be avoided by lenders and financiers.

There needs to be flexibility of the zoning and should be reexamined to accommodate this type of use. For example, perhaps not every single square footage of the ground floor should be retained as retail but could house office or other commercial use. A project itself may not require it to be mixed-use and understanding the need and demand in the community can help determine the appropriate use. A TOD plan should reflect that, while mixed-use can ensure higher traffic.



## *The relative high cost for development in Transit Zones*

Many new development projects in TODs today are noticeably high end products for upper income households. A community may not think it primarily ideal or even wish to develop high end products especially if it does not provide for a community's affordable housing needs. The cost of the housing product however is a consequence of the high cost to develop a TOD project. Costs for an infill TOD project will potentially face:<sup>xxiii</sup>

- » Higher cost related to changing the zoning and buildings codes to allow for higher density.
- » Higher land prices or speculative owners near or in TODs
- » Brownfield remediation as oppose to greenfield development
- » Higher construction cost for denser buildings
- » Infrastructure for streets and right of ways, along with other amenities
- » Provision of excess parking requirements
- » The cost for community engagement process

As a result, the cost then translates into higher rates for rents that upper income households would be able to afford leaving out lower-income groups. Local communities should consider ways that they can address some of these factors to relieve some of the cost so that developers are able to offer more affordable rental units in a TOD. This can come in the form of government policy shifts in zoning, codes and even parking requirements for development near transit. Government assistance (tax credits, abatements) for infrastructure or site remediation, or acquisition of property prior to a TOD development.



Image Source: Chicago Transit Authority (CTA)



# eTOD Policy Approaches

## *Supportive Collaboration of eTOD Policies*

eTOD requires the integration of multiple disciplines in the planning field. Land use, economic development, community development all are needed to support the policies. Thus, implementation takes coordination between housing, transportation sectors along with local governments. While there are efforts and collaboration at the federal level such as partnership between the Department of Transportation and Department of Housing and Urban development, such partnership is not as prevalent at the regional and local level. Groups involved in the planning should include but are not limited to MPOs, transit agency(s), local housing agencies, developers, business community and residents. This goes beyond municipal boundaries and requires working regionally with other municipalities. MPOs are positioned well to jump-start such efforts.

Perhaps the best way to accomplish coordination and collaboration is to set up a separate entity or organization that is intentional in bringing partners together with a focus on eTOD. Such platform can provide education on affordable housing. Providing such service to local stakeholders and community officials can create a foundation in understanding how to be effecting in developing affordable housing. Such education can bring attention to options for financing tools for affordable housing projects and the regional challenges for eTOD.

In Denver, Enterprise Community Partners joined with other regional stakeholders to create Mile High Connects (MHC) This forum serves as a platform to advocate for the board community benefits for housing, employment and education around FasTrack development.<sup>xxiv</sup>

## *Reform land-use plans, codes and policies that influence development around station areas*

The regulatory environment can significantly impact the amount and type of development. Such restrictions imposed by local government can be barriers to Affordable housing in TOD zones.<sup>xxv</sup>

- ◆ Limits on by-right development on density, building height, and unit-size restrictions
- ◆ Restrictive building codes
- ◆ Unpredictable time frames for the permitting and entitlement process
- ◆ Excessive parking requirement

A combination of regulatory barriers can lead to significant costs and threaten the financial viability of a project. Creating eTOD supportive plans, codes and policies can help lower the barrier for developers in local jurisdictions. These adjustments and reforms to existing city ordinances and policies can be specific to transit corridors. In fact, many designated TOD districts will have adjusted zoning and building requirements for new development. Provided in this tool kit are policy recommendations for adjustments such as inclusionary housing ordinance and reforming parking policies.

## *Expanding Access to Capital to accommodate eTOD projects.*

There are two constraints and challenges that developers face in trying to access capital. Financial products may be difficult for developers to access especially for products may be unproven in a local market such as mixed-used or higher densities. Financing may also be hard if an area has yet to see a planned transit expansion. Since TODs

overlap local gov't, MPOs, transit and private developers, funding utilization from each should be streamlined to provide access. Expansion and loosening funding sources that can extend beyond jurisdictional boundaries and flexibility in eligible uses can lead to greater eTOD outcomes. Financial incentives from housing agencies and funds should encourage and favor development along transit access since low-income residents would benefit the most with lower transportation costs.

Given the Chicago area's service expansion of existing transit agencies is limited to specific areas in the region, most developers are likely to face challenges of building in unproven markets. A more extensive section of Financial Tools is provided at the end.

#### *Enhance Site-Access & Improved Site Viability*

Challenges to affordable housing in TOD are based on the local real estate market. In a strong market affordable housing developers

can struggle to compete against for-profit developers to redevelop station areas. In a weak market, costly infrastructure demand and less-compatible land-use can make development around a station less viable and hinder station redevelopment.

Land that is publicly or transit agency-owned should be considered for affordable housing opportunities. This is a direct way for public agencies to support eTOD. This can be accomplished by selling or leasing land to an affordable housing developer or require a portion of units be affordable for a larger project. In weak markets, removing regulatory hurdles and taking catalytic approaches to redevelop an area around a transit station should be considered. Taking the appropriate investments to advance social equity, inclusion and opportunity are steps in accomplishing eTOD.

## Policy Recommendation: Inclusionary Housing Ordinance

An Inclusionary Housing Ordinance is one way to ensure that affordable units be built within a TOD district. Many communities across the county, both large and small, have enacted inclusionary housing ordinances to provide for their affordable housing needs. An Inclusionary Housing Ordinance (IHO) should be part of a community's wider effort through an affordable housing plan. Any new residential development or developments that include a residential component, including rental and owned, need to include units below market-rate to be affordable to low & moderate income households.

In regard to eTOD, an ordinance can encompass many new developments that are built near transit. This ensures that affordable units are placed in closed proximity to transit, benefiting middle and lower-income residents by lowering transportation costs with greater accessibility to jobs and other services. The combination of lower housing and transportation cost allow for spending on other important services and goods. IHOs should be crafted to fulfill goals and local demands. A good IHO takes planning, community input, involve local housing agencies and community groups. If a municipality finds itself in a strong real estate market, an Inclusionary Housing Ordinance may be appropriate to be leveraged. Developers may be willing to work with affordable unit requirements because of strong market demands.

However, in a weaker markets that influence of the city ordinance may be ineffective and may raise the barrier for new development in the community. If a municipality in a weaker market pursues an IHO, consider requirements being looser and not as stringent, but still effective to ensure affordable housing is built.

TOD types in the Chicago where a IHO is more appropriate to be applied would strong real estate markets include the Chicago Urban Center, Inner-Ring Urban Centers and Suburban Centers. Components of an Inclusionary Housing Ordinance typically include:

- **Purpose and Findings**

The purpose of an IHO is to encourage the development and availability of affordable housing units to a wide range of household income levels. The ordinance may address the city's housing needs and add to the housing stock in proportion to the growth of new jobs and housing units. In addition, an IHO helps bolster the goals for eTOD by reducing vehicle traffic, mitigating environmental impact, improving the jobs/housing balance, encourages diversity and seeking to provide a balanced community.

- **Definitions**

The IHO should lay out clearly the definitions of major terms listed including but limited to:

- |   |  |
|---|--|
| <input type="checkbox"/> Affordable Rent & Ownership    | <input type="checkbox"/> Inclusionary Unit               |
| <input type="checkbox"/> Alternative Housing Proposal   | <input type="checkbox"/> Market Rate Unit                |
| <input type="checkbox"/> Area Median Income (AMI)       | <input type="checkbox"/> On-Site & Off-Site Unit         |
| <input type="checkbox"/> Household                      | <input type="checkbox"/> Very-Low, Low, Moderate- Income |
| <input type="checkbox"/> Inclusionary Housing Agreement | <input type="checkbox"/> Household                       |

- **Development Requirements**

The IHO should lay out what projects are applicable, in this case residential or those that include a residential component in Mixed-use projects. A minimum threshold number of dwellings units should be stated, for example, 10 or more dwelling units. A calculation will have to be devised by the municipality to determine the number of affordable units that the developer will need to include. Most municipalities simply use a percentage of the number of planned units. This percentage ranges from 10% - 20% of the total planned units. Some municipalities use square footage when calculating how much square footage needs to be designated as affordable. The requirements within a defined TOD area can have more stringent requirements with either a lower number of units the development to be applicable or a higher percentage that must be affordable.

- **Inclusionary Housing Plan**

A developer will have to submit an inclusionary housing plan when submitting an application for development. The plan needs to outline and specify compliance with requirements set forth in the IHO. This is the city's way of knowing that the developer will construct and provide affordable units.

- **In-lieu-fees**

Most IHOs allow developers to pay a fee in lieu of providing of affordable units on site. This rate should be determined by the municipality. The one time fees can be based on rate per unit, ranging from \$50,000 - \$100,000 The fees should go into an affordable housing trust fund. These fee payments may be required in full or in installments before a certificate of occupancy is issued by the city.

- **Incentives for Rental & On-Site Housing**

Once a developer has been determined to meet the requirements but with financial evidence the requirements render the project infeasible, the city can offer the developer incentives to retain the on-site affordable housing, such as reduced parking requirements, or higher Floor-Area-Ratio (FAR) or other incentives to improve the financial feasibility of the project.

- **Eligibility for Inclusionary Units**

Eligible residents for inclusionary units is based on income. Income levels for which inclusionary units will be made affordable is set by the municipality. The Area Median Income (AMI) is used to determine a household income. Rental units often are 50 % - 70 % AMI. Consult your state, county and local housing agencies to determine the appropriate rate for the municipality.

- **Affordable Housing Trust Fund**

Many municipalities have a affordable housing trust funds. If payment-in-lieu-of-fees are made, they go into a housing trust fund. Such a fund is instrumental in retaining and developing affordable housing units throughout the community. It can be used to retain affordable units for mid to low income households located near a transit station.

## Case Study: Evanston, IL

Evanston is one community in the Chicago-area that has an inclusionary housing ordinance in place. The original inclusionary housing ordinance was passed in 2006. It was amended with updated changes that came into effect Jan. 1 of 2017.

Affordable housing has been a goal of the city. It became apparent in the late 90's/early 2000's that the city affordable housing stock was shrinking and being replaced by conversion of apartments and development of condos. The original IHO only focused on condo development and conversions. Post the real estate market crash of 2008, new development since has been entirely rental projects, the amended ordinance includes rental development.

**Table 1: Evanston IHO Criteria**

	TOD	Non -TOD
% of Affordable Units - Private Development	20 %	10 %
% of Affordable Units - w/ Public Funding	25 %	15 %
Unit Fee if Payment-in-Lieu	\$100,000 per unit	\$75,000 per unit
Bonuses	10 % - Height 20% - Density 10 % - FAR	5 % - Height 10% - Density 5 % - FAR
Parking Requirements		
0-1 Bedroom	0.5 parking spaces	0.75 parking spaces
2 Bedroom	1 parking space	1.25 parking
3+ Bedroom	1.25 parking	1.5 parking

Evanston's IHO utilizes rules and requirements that differentiate residential development in TOD and non-TOD. Projects that are located in the city's defined TOD zones (primarily around CTA & Metra Stations) have more stringent requirements.

If the development meets the criteria for the IHO, the city can award bonuses for building height, density and FAR. If the development is located within residential district of a TOD they are permitted bonuses of 10% in building height, 20 % in density. The city requires that residential TOD development must have half of their affordable units be rated at 60 % AMI, while the other half can be priced at up to 80 % AMI.

Under this ordinance, two new developments were applicable under the IHO. One project was 25 units, built 5 onsite affordable units, the project was in a TOD. The other project which was also within the TOD zone has planned for 263 units, the developer decided to pay fees-in-lieu which goes into Evanston's Housing Fund totaling \$2,400,000. Though the program is recent to include TOD development, Evanston IHO is set up for the future development to assist in the inclusion of affordable units near transit & within the city.

## Policy Recommendation: Reform Parking Requirements

The goals of equitable TOD cannot be realized in many cases because of the existing counterproductive policies that support automobile development. Parking requirements and minimums can decrease the supply of housing in a community, increase rent and limit certain types of development.<sup>xxvi</sup> Building parking infrastructure is an expensive cost for the developer, yet to meet the local parking minimums for residential units, typically 1 space per unit, the developer must include the parking spaces. They are often seen as an accessory for current residents. Reduction or even elimination of parking can enhance the utilization of transit, pedestrian, ride sharing from site locations. It is important to note that having some parking due to limited transit availability can support residents with lower-wage jobs that require flexibility for work locations. Current residential development for many years heavily favors personal vehicles at the cost moderate to low-income housing.

Here are common reasons why parking near transit should be reviewed:

- Supply of Parking often exceeds Demand
- Apartments near transit need less parking
- Parking Spaces add to the development cost

Inclusion of parking in residential developments can increase the cost of the project, thus raising the cost of per-unit development. Affordable housing developers who utilize housing credits may find it difficult to recoup cost in a development due the excessive parking requirements due to rent limits. Surface parking lots take up valuable space away from potential development that would help build up density around a transit station. Research by CNT in the Chicago region indicated that 100-unit building near CTA would likely have around \$825,000 in wasted construction cost for the all the empty parking spaces.<sup>xxvii</sup>

Local governments and affiliated transit agencies should review local parking requirements based on the utilization of existing parking lots near transit. Reduction or elimination of parking minimums or creation of shared-parking policies can lower the barriers for eTOD in many jurisdictions. If residential and commercial parking lots near transit stations are under-utilized then it would be worth changing or laxing rules to allow developers to build denser buildings and to increase the local housing stock. Local communities should also encourage developers to look at the cost of parking to lower excess space.

A new parking ordinance that either reduces or eliminates parking requirements for residential developments in transit areas can be sought to help create transit-friendly neighborhoods. This can assist developers offering more attainable rental prices rather than a premium. In 2015, the City Council of Minneapolis passed an ordinance that reduced parking requirements for residential use in transit-areas based on size, proximity and frequency of transit service.

A more creative approach that some communities have employed is reduction in parking minimums in exchange for affordable units. As mentioned with the city of Evanston's

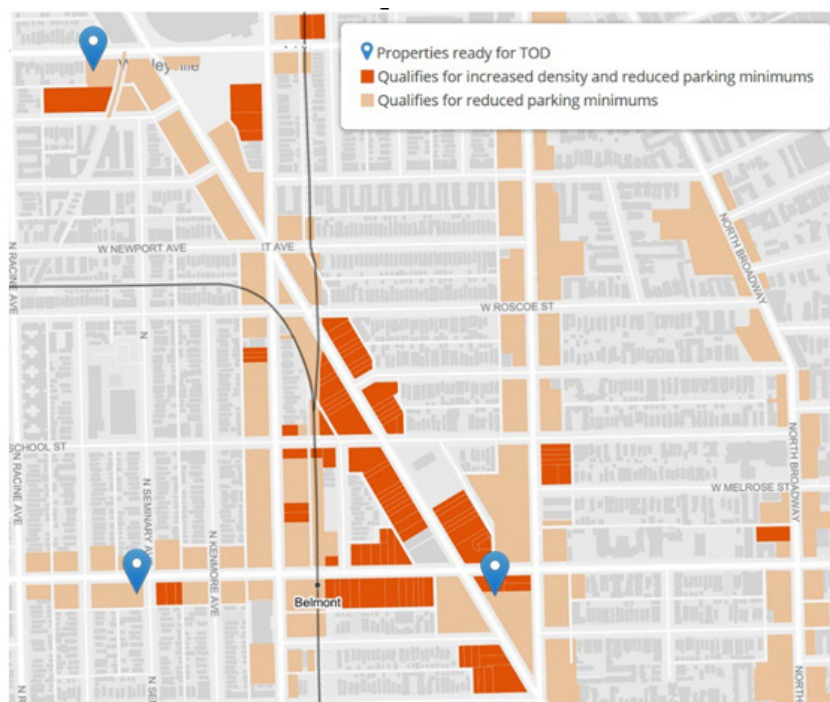


Inclusionary Housing Ordinance, bonuses such as reduced parking minimums were offered if affordable units were on-site. All communities in the Chicago area are recommended to evaluate parking and consider reducing parking restrictions for new developments near transit lines.

### **Case Study: Chicago TOD Ordinance**

Passed in 2013, Chicago enacted a TOD ordinance that essentially reduced the parking minimum requirements for multi-family residential developments. It allowed a 1:2 ratio of parking per residential units. In 2015, the city's TOD ordinance was amended to expand the TOD boundaries to be  $\frac{1}{4}$  of a mile from a Metra or CTA rail station. New development in these areas are free from parking minimums zoned for residential, commercial, business and industrial. Residential developments that include less than a 1:2 parking ratio, or no parking at all, must go through the city's administrative adjustment process. The local alderman can also write a letter or testify before the Zoning Board of Appeals on the subject.<sup>xxviii</sup>

Within the first year of the ordinance the city saw 15 proposed transit-oriented projects with some form of reduced parking, and it is estimated there are over 30 projects that have been built, are under construction or in planning to this day.<sup>xxix</sup> A majority of the new developments are rental units. The ordinance does provide relief for developers but also creates an incentive for developers to build smaller apartments. This adds more to the rental stock in the neighborhood and leads to higher density in development. The Twin Towers, a 216 apartment building near Metra rail only has 56 parking spaces, included in the project is 25 affordable units.<sup>xxx</sup>



*A parcel view around Belmont 'L' Station that qualify for reduced parking minimums and increased density. Image taken from MCP Grow Chicago Map*

While many developers have taken advantage of the reduced parking minimums such as Centrum Lakeview – the first project under the TOD ordinance - off of the Paulina brown line stop, some projects in TOD areas however continue to have the standard parking ratio of 1:1.<sup>xxxi</sup> Developers may still find reasons backed by market demand to offer parking whether for condo or rentals. Overall there are concerns with increased density in neighborhoods it disrupt local residents and community life. While Chicago does have an Affordable Requirements Ordinance in place, these are only applied to projects that receive a zoning change, city land or financial assistance - only 10% of units are required to be affordable. While some TOD projects are applicable, not all projects require affordable housing units from the city.

There are community concerns that many of housing products are continue to be high end, unattainable to lower-income residents. Projects can also partake in paying in- lieu fees for not providing onsite affordable units. Given the relatively recent incorporation of TOD ordinance and elimination combined, future studies are require to learn of the impacts of reduced parking minimums on achieving equitable outcomes in the City of Chicago.

## Policy Recommendation: Access to Publicly Owned Land

One direct way to encourage eTOD is utilizing public land near transit corridors and stations to support affordable housing development. In the case where the municipality or public transit agency own the land, these agencies are in their best position to dictate the type of development and use of the space. The local government can use these publicly owned properties to meet eTOD characteristic through the selling of the land, creative-deal structures and/or land cost discounts.<sup>xxxii</sup>

Land acquired by a municipality is often a place holder for potential re-use in the future, especially if a site is deemed undesirable for development for various reasons. A public transit agency often owns property along transit to use for transit infrastructure or a site for transit construction. Yet when a project is completed, a remaining partial amount of land is sometimes available for use and development.

Traditionally, after publicly owned land is no longer needed for public purpose, the property is sold back to the market to the highest bidder. Usually the city or agency identifies a developer to purchase the property for redevelopment. While this approach can indeed be done in a way to support traditional TOD development, there is a great opportunity to go further to provide access of these public sites for equitable development. These options should be considered by the municipal/public agency if an affordable policy is absent:

- ❑ Lease land for affordable housing development
- ❑ Sell land at a discount cost to an affordable housing developer
- ❑ Include terms for transactions in the solicitation and procurement process

In Boston, local legislation was considered to allow for the selling of state owned land along transit at a discount to developers requiring that affordable units be included.<sup>xxxiii</sup> King County, WA & San Francisco, CA created programs for existing owned-public sites that are evaluated and identified as potential to support affordable housing, with accepted sites selected to include a portion of affordable units.<sup>xxxiv</sup> These can be considered here in the Chicago area. In fact, it has been utilized to some degree for site access in places like Oak Park, which a new condo development required a partial lot that the city owned. The Village was able to require that affordable units be part of the deal. Oak Park does not have any IHO and that was negotiated between the city and the developer.

Public or transit owned property along transit can be found in all communities. However, with urban densities near city centers there is less land and already developed space. Communities farther from urban centers are more likely to have available space for site development. Some communities such as Suburban centers, Neighborhood Downtowns and New Town Centers are in a better position to utilize land access for new eTOD developments.

An example can be found in the Twin Cities with their light rail line, METRO. Minnesota Department of Transportation (MnDot) needed to purchase the right of way for the Blue Line

(formerly called the Hiawatha Line). Included along this area were staging areas for construction. Upon completion of the project, the property was sold at discount to the Metropolitan Council (the Twin Cities MPO)

Agencies that seek Federal Transit Administration (FTA) Major Capital Investment Grant funding transit projects have incentive to promote affordability since the FTA assess applicants based on the extent of efforts that support the development and preservation of affordable housing while providing transit access to low- income residents.<sup>xxxv</sup>

This allows many public-agencies the ability to purchase land cheap, use for site assembly for station area development. This allows lower cost of implementation for eTOD structures. The Twin Cities as a whole are committed to affordable housing. There is a strong market for affordable housing, developers in the Twin Cities area are finding that transit access is marketable to low and medium income families. A little of under half of income restricted apartments in the last 10 years are within a quarter of a mile from the METRO LRT lines.



Image Source: Village of Arlington Heights

# Financial Tools for eTOD

One of the greater challenges that prevent the development of eTOD is the limit and lack of available financing options to developers. Equitable TOD typically costs more and often yield less in terms of cash flow due to the incorporation of affordable housing and other place-based amenities.<sup>xxxvi</sup> Planning tools alone are not enough to get the developers to build more low-income housing. However, there are financial tools available in the Chicago area that many municipalities can consider using. Using this can lever specific types of development to meet community needs and goals.

## Tax Incentives from Local & State Resources

The greatest source of incentives for developers can come through packaged assistance from the municipality itself. Communities, if their existing power allows, can offer local tax incentives and credits with the condition that the residential project allocate a certain amount of units for low to moderate income residents. Waiving certain development or usage fees for projects with affordable housing may be enough to fill a developer's financial gap. Property Tax abatement can be used as cash flow support for projects near transit stations. One statewide abatement program known as the Housing Opportunity Area Tax Abatement program exists. This program is eligible in existing townships and census tracts that have less than 10% of their population below the poverty level. This can go to preserving existing section-8 units, or be for Project-Based Voucher developments.<sup>xxxvii</sup> If there is a large retail/commercial retail component in the development, a sales tax abatement can also be considered.

Communities in IL may have other abatement or tax incentive programs within their jurisdiction in which eTOD may be qualify.

## Financial Assistance

Financial assistance reduces the developers need for equity. As was mentioned, the barrier for eTOD is often the lack of outside investment due to the lower return rate for the project. A larger share of loan-to-value (LTV) or construction cost reductions can increase an investors internal rate of return. Financial assistance can come through either the form of cost-shifting or loan support backed the local government.

Cost-shifting shifts project costs away from the developer to the public. This can be done through buying or a write down of land or building acquisition. Part of the construction or rehabilitation cost can also be covered through various grants or other funding sources.

Brownfield remediation is often sought by developers to remediate infill sites to make them available for development. Given their high cost, municipalities may consider to partially or fully pay for remediation services to make the site suitable. If a TIF district overlaps the TOD zone, TIF funds may be used for soft or hard cost. In fact, TIFs in Illinois are eligible to pay expenses for infrastructure, restoring existing buildings and covering things like design, feasibility studies, finance packaging.

Loan support is where the public sector is able to provide some form of financing through lending. There is always considerable risk in lending but filling in where larger banks and financial institutions refuse may be the difference for the project to break ground. One of the most common offerings of loan support is through municipal bonds, these can be both General Obligations or revenue bonds depending on local decision for public finance.



Local government or community development corporations may also have programs established to help provide business loans or low-interest loans for eTOD supporting projects.

### **Tax Credits: Partnering with Local Housing Groups or Regional Partners**

Low Income Housing Tax Credits (LIHTCs) are a successful federal housing program. While competitive, this federal program continues to be a great financial tool for affordable housing projects in the Chicago area and across the country. LIHTC can cover up to 90 percent of the cost of a new or rehabbed structure value (excludes land) over a ten year period. Awarding and administering of LIHTC tax credit is done by state and local housing agencies.

The Illinois Housing Authority has identified opportunity areas for affordable housing. These areas are identified as low-poverty, high access to jobs and a low concentration of affordable rental housing.<sup>xxxviii</sup> Essentially proposed affordable housing projects in opportunity areas improve scoring for qualifications in awarding tax credits. Many suburban communities in the Chicagoland are listed as opportunities areas with access to transit stations. A map can be viewed on the IHDA website (<https://www.ihda.org/developers/market-research/opportunity-areas/>)

New Market Tax Credits (NMTCs) are another tax credit option that can be utilized in low-

income and distressed communities along major transit corridors, mainly used for community facilities and for commercial & retail projects.

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Every project is different and may require a unique combination of financing options and tools. It is important for a community to weigh the level in which a local government can provide assistance. While there are clear benefits for projects that advance equitable characteristics, it is important for the community not to stretch their financial resources, and requires a long term view for a process that can take decades to realize.

Communities should explore tax credit options for both federal and state programs first. These come at little to no cost to the local government, and yet require a high level of scrutiny so the project fulfills their eligibility requirement. Using financial tools that leave the local municipal government less vulnerable are recommended such as abatements, fee waivers and infrastructure reimbursements. Debt financing should be the last resort for a municipality to consider after exploring all other options. The project should clearly have a principal benefit such as providing opportunities for local low-income residents. Debt financing is better for larger TOD redevelopment projects because of the lower risk of overall failure<sup>xxxix</sup>



# Regional Financial Solution

## **A Chicago Region eTOD Fund – A Philanthropic, Private & Public Resource**

The existing financial tools for eTOD are usually specific to individual projects within communities and neighborhoods. Yet perhaps a more effective approach to bring about widespread equitable TOD development in the region is to create a resource that is accessible to all communities. Combining both public and private capital can help provide coordinated efforts in eTOD growth. By spreading the risk among multiple stakeholders with different investment goals and return expectations, this can allow for more flexible terms and conditions.<sup>xi</sup> While there are regional partnership across the Chicago area such as the Regional Housing Initiative that are able to coordinate affordable housing projects, there is no unified financial effort for eTOD. A regional eTOD fund can collectively look for ways to improve housing and transportation cost for families working across municipal boundaries and across different players.

There are several examples of funds in metro areas across the country that are focused on providing eTOD capital. Denver created a TOD fund that Enterprise Community Partners manages. Another prominent regional eTOD fund is on the West Coast in California. In 2011, MTC in the San Francisco Bay area became the first MPO to invest in a regional eTOD fund: The Bay Area Transit Oriented Housing (TOAH) Fund. Funds are invested from private foundations, banks, local housing authorities, non-profits, local and regional governments and transit agencies. These funds are used to acquire property either for the purpose of preserving affordable housing stock or pre-empt rising land prices. Denver's Fund focuses solely on affordable housing while Bay Area TOAH covers additional communal amenities like health clinics and fresh market stores.

While these two TOD funds alone are not meant to be replicated completely, they can provide a model for a similar structure to help

Table 2: Sample eTOD Funds

Denver Regional TOD Fund	Bay Area TOAH Fund
<b>Eligibility:</b> Multifamily rental housing at 60 % of AMI Multifamily for-sale housing at 95% of AMI and below in TODs Mixed-use and mixed-income communities	<b>Eligibility:</b> Located within ½ mile of Transit Requires Local Support Development of affordable housing, retail space and other services such as child care centers, fresh food outlets and health clinics.
<b>Offering:</b> Loan terms up to five years Up to 90% Loan to Value (LTV) Interest-only loans with low rates	<b>Product:</b> Predevelopment Loans Acquisition Loans Gap Financing
<b>Outcomes:</b> Created over 900 units of affordable housing As of 2015, loaned \$15 million to 11 sites	<b>Outcomes:</b> Over 700 units of affordable housing within the region in the first 3 years

finance eTOD projects throughout the Chicago region. None the less it does however require a partnership between many stakeholders.

***What does a Chicago Regions eTOD fund look like?***

Chicagoland poses a unique opportunity. The area is not seeing the massive expansion of transit (with the exception planned extension of the CTA Red Line) as Denver is, most stations are current and existing along the CTA and Metra transit network. While there are certain sections of the region that have seen rising real estate prices, the region as a whole is not facing a sharp rise of property values universally like the San Francisco Bay Area. A fund can enhance transit access improving mobility and the quality of life in neighborhoods for low- to moderate-income residents, while mitigating displacement of those same households who benefit the most from transit service.<sup>xli</sup> Taking steps now can preserve and add to the affordable housing stock before they reach a critical point or before property near stations become expensive for new affordable development.

Being the third largest city in the country and a large global city, Chicago has many philanthropic groups and foundations that can be partnered with a Chicago eTOD fund. In addition, many major financial institutions based in the Chicago region could come into play when attracting large lenders. Major financial institutions like Morgan Stanley, Citi Bank, Wells Fargo and U.S. Bank are lending partners for eTOD funds in other parts of the country.

For opportunities for acquisition, places in suburban areas with vacant land near current stations could be acquired using financial resources from the fund. In existing neighborhoods, especially in the City of Chicago and inner ring suburbs, current affordable housing stock continue to face pressure in raising land values and new development. Measures to preserve current units can access these funds. An eTOD fund in the Chicagoland can help in the financial assistance of development of affordable rental units within ½ a mile transit stations. Community services such as health clinics, and retail such fresh food markets are eligible to receive financing from this fund.

Regional organizations such as the Chicago Metropolitan Agency for Planning are in the best position to a lead in a creation a highly collaborative public-private partnership focused on eTOD to invest in local communities. Having established relations to get buy-in from local governments, housing authorities and non-profits can help in coordinating policies and planning across the region. Representatives of many stakeholders can garner opportunities for partnerships with foundations and financial institutions.

As a growing generation continues to move into the urban centers across the country, central business areas especially areas situated near transit will get much attention for growth in the coming future. A regional eTOD fund helps ensure that future development is able to provide opportunities, accessibility to jobs and maintaining affordability for low and moderate income families with cheaper housing and transportation costs.

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